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12 || Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

16 LUIS MORALES-GARCIA, BENITO
17 PEREZ-REYES, CESAR JIMENEZ-
18 MENDOZA, GABRIELA RENDON-
19 VASQUEZ, and JUANA VELASCO-
TORRES, on behalf of themselves and
all others similarly situated.

20 || Plaintiffs,

v.

HIGUERA FARMS, INC., LA
CUESTA FARMING COMPANY,
INC., BIG F COMPANY, INC., RED
BLOSSOM SALES, INC., BETTER
PRODUCE, INC., and DOES 1-8.

Defendants.

Case No.: 2:18-cv-05118-SVW-JPR

CLASS ACTION

PLAINTIFFS' STATUS REPORT

1 Plaintiffs Luis Morales-Garcia, Benito Perez-Reyes, Cesar Jimenez-
2 Mendoza, Gabriela Rendon-Vasquez, and Juana Velasco-Torres (hereafter
3 “Plaintiffs”), were H-2A and domestic farmworkers employed in and around Santa
4 Maria, California to harvest strawberries. Plaintiffs were recruited and employed
5 by three growers owned by members of the Contreras family, Higuera Farms, Inc.
6 (“Higuera”), La Cuesta Farming Company, Inc. (“La Cuesta”), and Big F
7 Company, Inc. (“Big F”) (collectively “the Contreras Defendants”). Plaintiffs
8 brought the instant putative class action alleging systemic acts of wage theft and
9 other recurrent violations of state and federal labor law. Plaintiffs also alleged that
10 Red Blossom Sales, Inc. (“Red Blossom”) and Better Produce, Inc. (“Better
11 Produce”) were liable for these underlying violations as client employers under
12 California Labor Code section 2810.3 and as joint employer under both California
13 law and federal law.

14 The Contreras Defendants were previously represented by the law firm of
15 Dowling Aaron Incorporated. Dowling Aaron Incorporated filed a motion to
16 withdraw as counsel on July 29, 2019, (Dkts. 100, 106), which the Court granted.
17 (Dkt.129). The Contreras Defendants failed to retain new counsel as ordered by the
18 Court. (Dkt. 129). Accordingly, the Court entered default against each of them.
19 (Dkts. 148, 228). However, the Court has not entered default judgment against any
20 of the Contreras Defendants.

21 In addition to having default entered against them, the Contreras Defendants
22 each filed for Chapter 7 bankruptcy in the United States Bankruptcy Court, Central
23 District of California (“Bankruptcy Court”). The automatic bankruptcy stays have
24 been lifted as to each of them. (Dkts. 216, 217, 238). Plaintiffs have also filed
25 claims against each of the Contreras Defendants in the Bankruptcy Court.

26 On September 9, 2020, Plaintiffs, Red Blossom and Better Produce filed a
27 joint stipulation to bifurcate and continue the December 1, 2020 jury trial. (Dkt.
28 252). The stipulating parties agreed to bifurcate this matter, with the issues of the

1 liability of Red Blossom and Better Produce under California and federal joint
2 employer theories, and as client employers (“Joint Liability Issues”), to be
3 determined by the Court at a bench trial on February 3, 2021. All of the remaining
4 issues were to be tried at a second trial date by jury, on a date to be determined
5 after the trial on the Joint Liability Issues. On September 24, 2020, the Court
6 granted the joint stipulation. (Dkt. 254).

7 On February 3, 2021 and February 4, 2021, the Court held a bench trial on
8 the Joint Liability Issues. (Dkts. 367, 368, 376, 377). On February 5, 2021, the
9 Court issued a minute order setting a filing schedule for post-trial briefs to be
10 submitted by the parties. (Dkt. 357). Plaintiffs filed their post-trial briefs on
11 February 26, 2021. (Dkts. 383, 384). Red Blossom and Better Produce filed their
12 respective oppositions on March 12, 2021. (Dkts. 387, 388). Plaintiffs filed their
13 reply briefs on March 22, 2021. (Dkts. 393, 394).

14 On October 18, 2021, the Court issued a judgment in favor of Red Blossom
15 and Better Produce, finding that they were not joint employers under state or
16 federal law, and also not client employers under state law. (Dkt. 399). Plaintiffs
17 filed an appeal to the United States Court of Appeals for the Ninth Circuit (“Ninth
18 Circuit”) on February 1, 2022. (Dkt. 431).

19 On February 17, 2022, Plaintiffs, Red Blossom and Better Produce
20 submitted a joint stipulation to stay the District Court proceedings and enforcement
21 of costs pending the appeal (Dkt. 434). The stipulating parties agreed to stay all
22 further proceedings in the District Court pending the Appeal before the Ninth
23 Circuit, except for a ruling on Plaintiffs’ Motion for Class Certification. The
24 parties also agreed to stay any enforcement action to collect the costs awarded to
25 Red Blossom and Better Produce pending a decision on Plaintiffs’ appeal. Finally,
26 the parties agreed that the stipulation to stay would in no way affect any of the
27 proceedings in the Bankruptcy Court against the Contreras Defendants, including
28 proceedings to resolve and administer the claims filed by Plaintiffs against the

1 Contreras Defendants arising from this action.

2 On March 10, 2022, the District Court granted a stay of the District Court
3 proceedings and enforcement of costs pending appeal. (Dkt. 435). The Court
4 stayed all proceedings, including a ruling on Plaintiffs Motion for Class
5 Certification, pending the appeal before the Ninth Circuit. The Court also ordered
6 that the stay of proceeding in the District Court would in no way affect the
7 bankruptcy proceedings against the Contreras Defendants in the Bankruptcy Court.

8 Plaintiffs now submit this status report:

- 9 1. On June 1, 2023, the United States Court of Appeals for the Ninth Circuit
10 entered judgement affirming the District Court's decision as to Red
11 Blossom and Better Produce.
- 12 2. The Court of Appeals issued a mandate relinquishing jurisdiction over
13 the case on June 23, 2023. The mandate officially transfers the case back
14 to the District Court. The mandate was filed in the District Court on June
15 28, 2023.
- 16 3. The Contreras Defendants are the only remaining Defendants in the
17 instant case before the District Court. Each of the Contreras Defendants
18 is in default, but default judgement has not been entered against any of
19 them.
- 20 4. The Contreras Defendants are still in Chapter 7 bankruptcy proceedings.
21 Plaintiffs filed claims against each Contreras Defendant in the
22 Bankruptcy Court.
- 23 5. Plaintiffs and the bankruptcy trustee for the Contreras Defendants have
24 negotiated a settlement agreement in the Bankruptcy Court. Plaintiffs and
25 the bankruptcy trustee are currently finalizing the terms of the written
26 settlement agreement.

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1 6. Accordingly, Plaintiffs respectfully request that this Court stay all further
2 proceedings with respect to the Contreras Defendants, only, until the
3 settlement in the Bankruptcy Court has been fully executed in accordance
4 with the terms of the settlement agreement, including the disbursement of
5 any settlement funds. Plaintiffs will file a further status report once the
6 settlement is executed and funds are disbursed.

7
8 Dated: June 28, 2023

Respectfully submitted,

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10 CALIFORNIA RURAL LEGAL ASSISTANCE
11 FOUNDATION
12 HADSELL STORMER RENICK & DAI LLP

13 By: /s/ Cecilia Guevara Langberg
14 *Attorneys for Plaintiffs*

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